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The Green Marketing Revolution

Ad Age/Gallup poll
Exclusive data on how consumers rank corporate 'greenness'

Case studies
How Mobil, McDonald's, P&G and Loblaws are dealing with environmental pressures

Green confusion
Marketers grapple with an absence of national green guidelines

'Who's Who' in environmental marketing

One-on-One
Wal-Mart tells how its green tags are faring

Denis Hayes explains how to make sense out of green claims

To our readers

Thanks to all of us, the planet is in trouble.

From the factory owner who spills poison into our drinking water, to the teen-ager who swills soda from a disposable bottle, to the primitive hunter who kills rhinoceroses, we are all guilty of contributing to the world's growing environmental problems.

The funny thing about much of the environmental damage is that it has been accomplished while we were simply trying to do what human beings are supposed to do, improve their lives and make progress. Everything from the automobile to the disposable diaper was developed to make life better for the user — and to produce a profit for the manufacturer.

But something new has been added in recent years to this striving for a better life. What we used to call progress is being interrupted by a worldwide revolution. In this case, the revolutionaries are consumers, and their battle cry is for products and services that will preserve a cleaner, healthier, richer environment for themselves and their children.

During the past few years, marketers have been scrambling to find the information and develop strategies to meet these new consumer demands. We hope that this issue of *Advertising Age* you are reading will help lead them to at least some of the answers.

In producing this special edition, we have learned a lot ourselves. One of our goals was to produce a whole issue of *Advertising Age* on recycled paper that compared with our regular stock. This we accomplished. But we learned recycled paper is more difficult to locate, it offers only limited varieties and it costs considerably more than non-recycled paper.

But then, this was the purpose of this special issue along with our Green Marketing Summit held on Jan. 29 in New York: *to learn*.

Michael A. Marcotte-Brooke Hummer

***Advertising Age* Publisher Joe Cappo**

There is also much to be learned from the exclusive Gallup survey that *Advertising Age* commissioned to determine consumer attitudes toward the environment and how marketers are responding to the "green revolution."

Learning from the experiences of others is also important. That's why we have included case studies from key marketing companies such as Procter & Gamble Co., Mobil Corp., McDonald's Corp., Wal-Mart Stores and Loblaw Cos.

In all of this, our intention has not been to point fingers of blame at anyone, especially since we feel that none of us is blameless. What's done is done. We can't change the past, but we can alter the course of the future.

What we hope to accomplish from this issue, as well as the Green Marketing Summit, is to promote a greater sense of awareness among everyone about possible damage to the planet. We feel that every government, corporation, institution and individual should have an environmental strategy governing the way they live and do business.

This concentrated focus on a social cause is a new step for *Advertising Age*, although we have covered "green marketing" as a separate topic for years and will continue to do so in the future. We don't casually produce midweek editions of this publication unless the subject demands it. Environmental marketing demands it.

We believe this particular issue breaks new ground by casting a more intense light on the challenge of marketing to an environmentally conscious world.

We hope that we—and you—are ready to meet that challenge.

Joe Cappo

Joe Cappo
Publisher, *Advertising Age*

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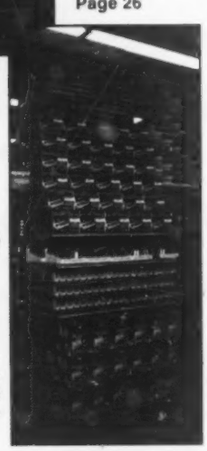

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Companies without green products expose themselves to real risks if they engage in green marketing. Such "greenwashing" may work for a time, but sooner or later consumers will catch on, says Denis Hayes of Green Seal.

This "Green Edition" of *Advertising Age* has been printed on Niagara of Wisconsin Paper Corp.'s Pentair 50# Recycle Gloss. The paper meets the June 1988 U.S. Environmental Protection Agency's standard for recycled printing and writing papers by containing a minimum of 50% recycled fiber.

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Exclusive first look at how consumers feel; Wal-Mart, McDonald's, cereal companies stand out; beer, diapers, labeling, advertising have a long way to go

P&G gets top marks in AA survey

By Dennis Chase

AD AGE GALLUP SURVEY

Procter & Gamble Co. is the most "environmentally conscious" marketer in the U.S., according to a new nationwide poll.

But a whopping majority of respondents admit they can't name *any* marketer they feel is environmentally conscious.

Consumers across the board are looking for marketers to do more for the environment and say they will change their buying behavior to favor companies that are environmentally sensitive, according to the first annual *Advertising Age*/Gallup Organization "green marketing" environmental study.

The survey is believed to be the first to ask consumers to rate marketers and brands on concern for the environment.

The survey measures consumer opinion—not behavior—and "is trying to find out if it is in the consumer's mind that environmental concern is something he, and marketers, should have," said Gallup's VP-Analysis Gale D. Muller, who helped prepare the survey. "The information is valuable because advertising appeals more to a person's value system than to his actual behavior," he said. "Products that have this environmental appeal have an advantage over products that don't."

When the survey asked a random sample of consumers across the U.S. to name one company that's most "environmentally conscious," P&G received the most support, being named by 6% of respondents.

But 66% of those surveyed said "none" or "don't know."

Respondents were asked to name any company that comes to mind as enviromentally conscious.

P&G's total is understated, because another 2% of the respondents answered "Downy" or "Tide"—both P&G products.

McDonald's Corp. came in second place with 4% of the total.

The survey asked respondents to rate individual product categories and companies by their concern for the environment.

Cereal marketers received the highest average ratings, followed by soft drinks, retailers, toothpaste and laundry soaps and detergents.

Cosmetics among worst

The bottom five categories, with relatively low ratings for environmental concern, are beer, automotive, fast-food restaurants, cosmetics and disposable diapers.

The findings were determined by asking respondents to rate how concerned individual marketers are about the environment. Marketers and brands could be rated "very concerned," "somewhat concerned," "somewhat unconcerned," "very unconcerned," and "don't know." Final ratings were calculated by adding up marketers' total points within that category to reach a mean, or average score.

The highest rating, "very concerned," was assigned 4 points for each answer; "somewhat concerned," 3; "somewhat unconcerned," 2; and "very unconcerned," 1. "Don't know" responses were not tabulated.

Cereals received a 3.13 score; soft drinks ranked 3.01; retail chains, 2.93; toothpaste, 2.92; and laundry soaps and detergents, 2.87. These were followed by beer, at 2.83; automotive, 2.82; fast-food, 2.80; cosmetic marketers, 2.55; and disposable diapers, 2.46.

Top product categories in U.S. ad spending were chosen for the survey if there were obvious environmental issues associated with the categories. Within each category, the brands and companies selected were the top ad spenders for 1989, with some exceptions. For example, R.H. Macy & Co. actually spent more in '89 on advertising than Wal-Mart Stores in the retail category, but the latter was included because of its leadership role on environmental issues.

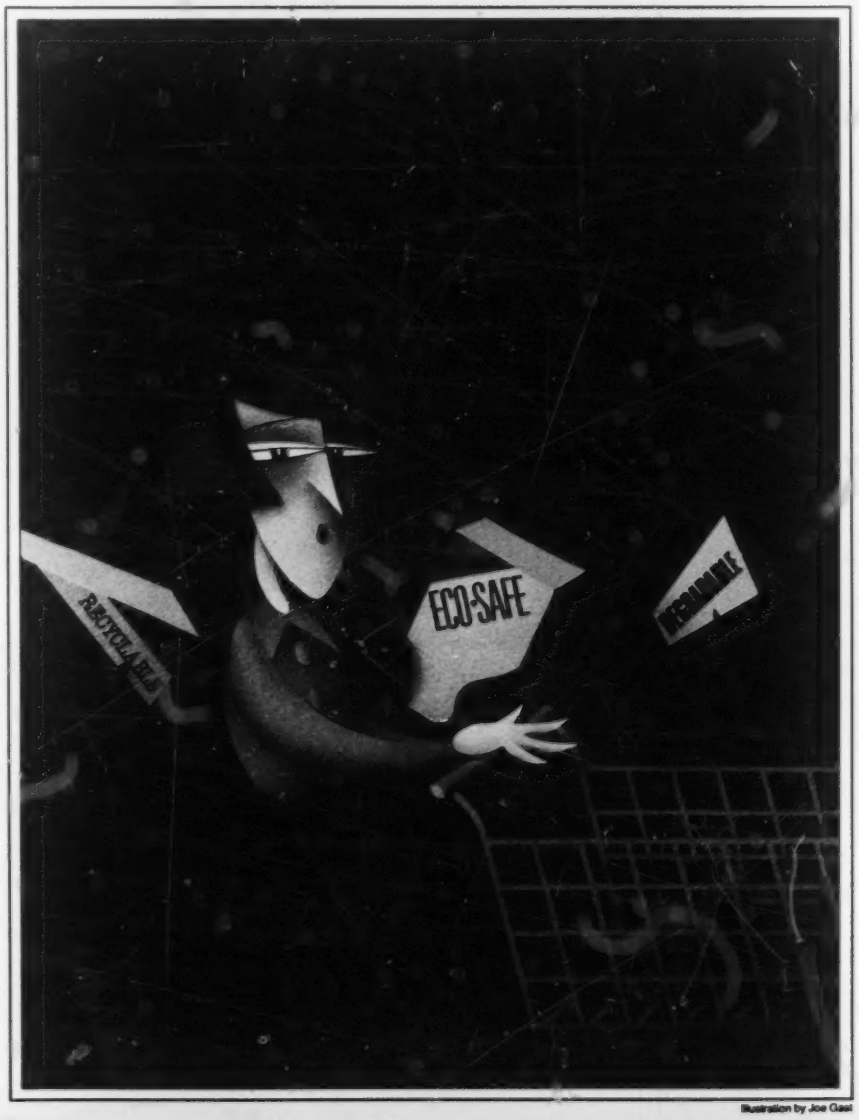


Illustration by Joe Gast

McD excels in fast-food

In the fast-food category, McDonald's emerged as the clear winner, with Burger King Corp., Wendy's International and Kentucky Fried Chicken Corp. significantly lower.

More than half the respondents, 67%, said the fast-food giant was either "very concerned" or "somewhat concerned" about the environment, compared with 57% for Burger King, Wendy's, 53%, and KFC, 50%.

McDonald's overall average score, at 2.94, was a statistically significant difference over Burger King's 2.76, Wendy's 2.81 and KFC's 2.7.

A statistically significant difference in this survey generally is one in which a greater than 0.05 gap exists between the different mean scores. This can vary from category to category, however.

In a runoff between P&G's Pampers disposable diapers and Kimberly-Clark Corp.'s Huggies, 42% of the respondents said Pampers was "very concerned" or "somewhat concerned" about the environment, compared with 37% for Huggies.

Pampers' mean score was 2.5, significantly higher than Huggies' 2.42.

For both Pampers and McDonald's, the relatively small percentage of "don't knows" helped bolster their final "concerned" score.

Huggies and Schering-Plough Corp.'s Maybelline received the lowest mean scores of any marketer surveyed.

In laundry soaps and detergents, P&G's Tide was the clear winner, with a mean score of 3, compared with Unilever's Surf, at 2.87, and Clorox, at 2.74. Tide received 64% of respondents' votes as being "very concerned" or "somewhat concerned," compared with 53% for Clorox and 41% for Surf.

The only other clear winner in its category was Wal-Mart. The survey found that 19% of respondents ranked the retail chain as "very concerned" about the environment, far ahead of second place K mart Corp. and Sears, Roebuck & Co., which tied.

Wal-Mart's overall mean score of 3.12 outranked K mart and Sears, at 2.87 each, and J.C. Penney Co., at 2.85.

In other categories, no marketer significantly outranked its competitors.

P&G's Crest and Colgate-Palmolive Co.'s Colgate toothpastes both registered about the same mean scores—2.98 and 2.95, respectively. SmithKline Beecham's Aqua-Fresh ranked third, at 2.82.

High marks for cereals

No significant difference emerged among cereal companies either, although all the mean scores were generally higher than other categories, resulting in a high ranking for cereal companies' environmental concern.

General Mills received a 3.14 mean score, as did Kraft General Foods' Post unit. Kellogg Co. received a 3.12 ranking.

In the soft-drink category, Pepsi-Cola received a 3.02 ranking; Coca-Cola, 3.01, and 7UP, 2.99. However, the two cola giants outranked 7UP in percentage of respondents ranking the marketers as "very" or "somewhat" concerned about the environment. Coca-Cola received 68%, Pepsi-Cola, 67%, and 7UP, 64%.

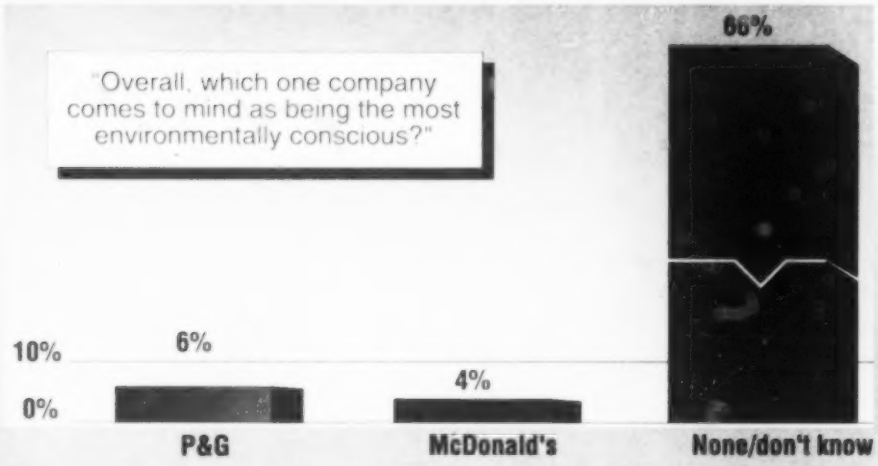
Among beer marketers, Anheuser-Busch Co.'s Budweiser outscored Miller Brewing Co.'s Lite beer in concern for the environment, by mean scores of 2.85 to 2.79. Coors scored 2.84. The differences, however, aren't statistically significant.

In the automotive category, no one car company outranked another significantly, but U.S. companies received higher votes in the "very concerned" category than their Japanese counterparts.

Ford Motor Co. received a 2.85 score,

(Continued on Page 10)

P&G: The greenest



Note: Companies/brands with 1% mention were: Arm & Hammer, Amway, Dow, Downy, Hefty, Pepsi, Star-Kist, Tide, Weyerhaeuser.

JOHN SMITHER

Which category is greenest?

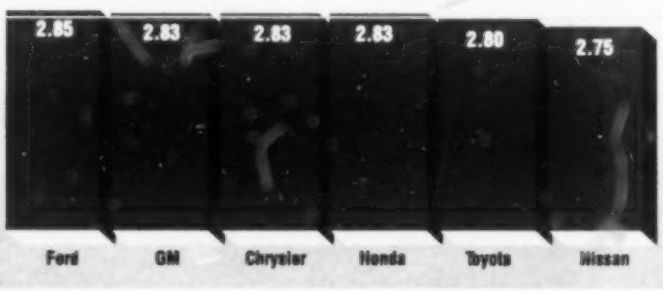
Industry	Average mean score	Number of companies included
Cereals	3.13	3
Soft drinks	**3.01**	**3**
Retail chains	2.93	4
Toothpaste	**2.92**	**3**
Laundry soaps-detergents	2.87	3
Beer	**2.83**	**3**
Automotive	2.82	6
Fast-food chains	**2.80**	**4**
Cosmetic companies	2.55	3
Diapers	2.46	2

JOHN SMITHER

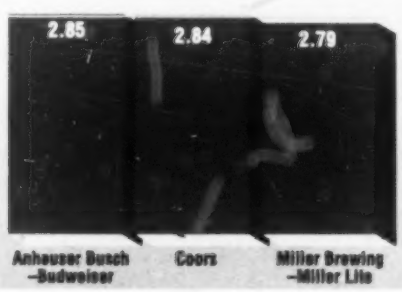
U.S. marketers – How green?

What happens when you ask a nationwide sample of Americans to rate how concerned 34 marketers are about the environment? They give high marks to Wal-Mart, McDonald's and Procter & Gamble.

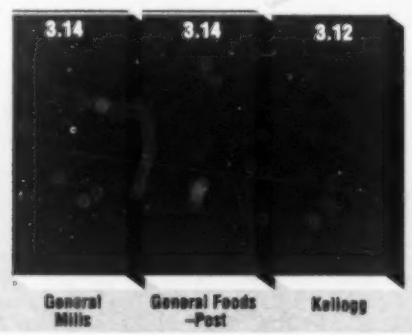
Automobiles



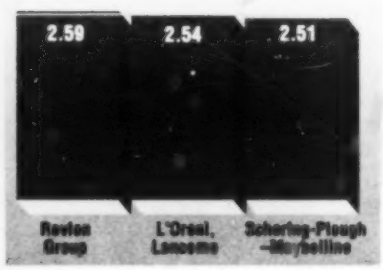
Beer



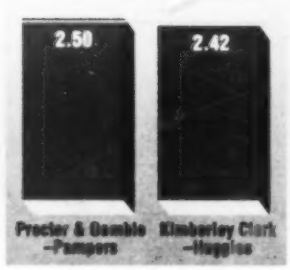
Cereal



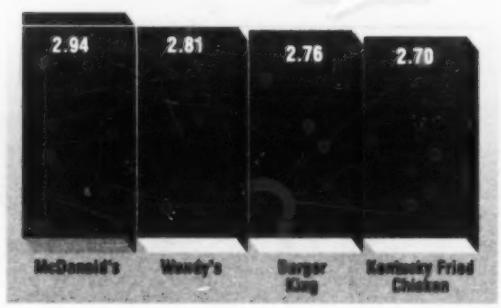
Cosmetics



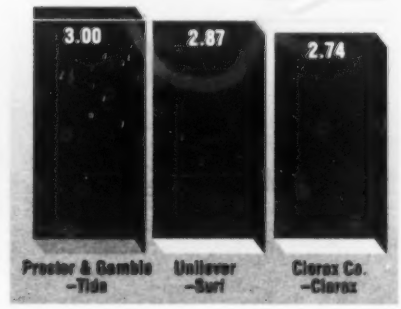
Diapers



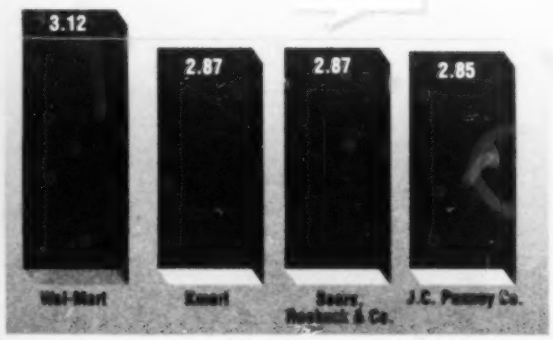
Fast-food



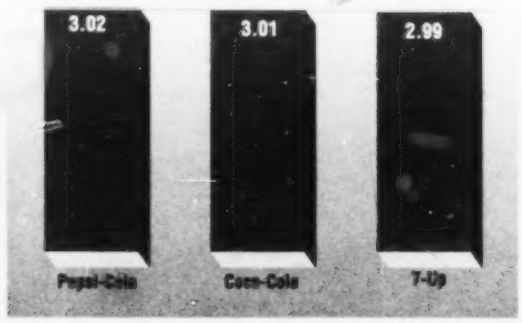
Laundry soap



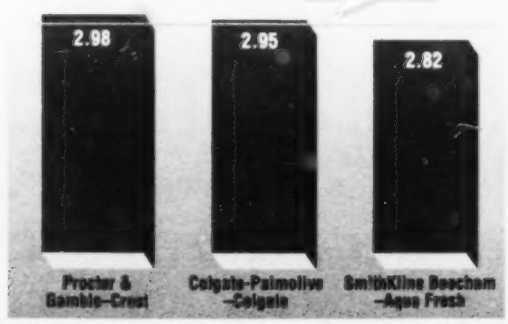
Retail



Soft drinks



Toothpaste



Note: Rating scale: 4 = very concerned, 3 = somewhat concerned, 2 = somewhat unconcerned, 1 = very unconcerned. Significantly higher scores within any category are indicated by color change.

Source: Gallup Organization

HOLLY SEGUINE

P&G tops survey

(Continued from Page 8)

compared with General Motors Corp., Chrysler Motors and Honda Motor Co., each of which received 2.83. Toyota Motor Corp. received 2.8 and Nissan Motor Co., 2.75.

But GM, Ford and Chrysler all outshone their Japanese competitors in the "very" and "somewhat" choices, with Nissan getting the lowest score of all. However, these differences appear to be statistically insignificant, or just borderline.

Cosmetics marketers, which includes Revlon Group, with a 2.59 ranking, and L'Oreal and Lancome, with 2.54, and Maybelline, with 2.51, scored very low on the overall ranking.

The survey also delved into whether the majority of Americans consider themselves environmentalists, and where they stand on various environmental issues.

The survey found that 79% of the respondents consider themselves "strong environmentalists" or "environmentalists," and only 17% consider themselves "non-environmentalists."

Northeast strong

The survey found the Northeast has a disproportionate number of "strong environmentalists," compared with the South Central, North Central and West regions.

Average age of "strong" environmentalists is older than the overall sample—48 years old compared with 37 for the entire sample.

Respondents were asked a series of questions to determine whether they think American business and industry, the government, and the American public are "too worried about the environment, not worried enough, or express about the right amount of concern about the environment."

The results show most people believe no one group is concerned enough about the environment. The "American public" comes out the best, but not by much—68% of respondents felt this group is "not worried enough" about the environment. That compares with 73% for government and 76% for business and industry.

'Green' ads questioned

Most people have little confidence in "green" advertising claims and much more confidence in green seals and label claims.

When asked if they felt "very confident," "somewhat confident" or "not confident that you know how to select products which are really environmentally responsible," three-fourths of the respondents said they were "very" or "somewhat" confident.

But when asked to rate their confidence that product advertising "provides accurate information about the impact on the environment," only 8% of respondents said they were "very confident," 43% said "somewhat confident," and 47% said "not confident."

When asked to rate their confidence that product labeling provides accurate information about the environment, 12% said they were "very confident" and 51% "somewhat confident"; only 35% said they were "not confident."

This anti-ad bias showed up again when respondents were asked to rate "green" advertising compared with other influences on purchasing decisions.

The survey sample was asked whether a "green seal of approval, which was introduced by Earth Day organizer Denis Hayes and would be placed on the labels of certain products meeting specific environmental criteria," would have a "great impact, "some impact" or "no impact" on their purchasing decisions.

Thirty-four percent responded that a green seal would have "great impact" and 49% said "some impact."

Similarly, "a program sponsored by the federal government to approve certain products meeting specific environmental impact criteria" rated 25% for "great impact" and 55% for "some impact."

When asked the same question about "marketing which states a laundry detergent is good for the environment because it contains no phosphates," 26% said "great impact" and 54% said "some impact."

But when asked about "a television advertisement which states that a certain brand of plastic laundry bottles contains up to 35% recycled plastics," only 16% said it would have a "great impact" on their purchasing decision, 54% said "some impact," and 28% said "no impact."

Eager to change

On specific issues, respondents come off as eager to change behavior to improve environmental quality, even if it means paying higher prices for a product.

Asked if they would "favor a ban on chlorofluorocarbons and other chemicals known to damage the ozone layer even if it means higher prices for air conditioners, refrigerators and some other consumer products," 80% of respondents said they would favor a ban and only 13% would oppose one.

When respondents were asked if they would switch to a brand of toothpaste in an aluminum tube marked "recyclable," if the brand they were using was not in such a tube, 34% said they would switch if the price was the same or "slightly higher." Thirty-two percent said they would switch regardless of the price, and 29% said they would either not switch or switch only if the price of the "recycled" brand was lower.

The survey asked if respondents would switch to a super-concentrated laundry detergent, which used fewer cups per load than their current detergent, and 33% said they would switch if the price were the same or slightly higher, 30% said they would switch regardless of the price, and 31% said they would not switch or switch only if it cost less.

They were asked if they could name the laundry soaps or fabric softeners, if any, that use recyclable materials in their packaging, or that offer refills to "cut down on the number of plastic laundry bottles being disposed of."

P&G's Downy won the refill race by a large margin, grabbing 18% compared with 3% for P&G's Tide and 1% each for P&G's Cheer and Dash and Unilever's Wisk, All, and Snuggle.

"Don't know" was cited by 72% of respondents. In fact, only Downy actually comes in refillable containers in the U.S.

Points for Tide

On the recyclable packaging question, Tide was cited by 9% and Downy by 8% of respondents, with 2% each citing All, Cheer and Wisk, and 1% each citing Snuggle, Church & Dwight's Arm & Hammer, Amway, Colgate-Palmolive's Fab, Unilever's Surf and P&G's Era and Dash; 70% responded "Don't know."

In fact, some liquid and granule versions of the brands cited are in partly-recycled containers, and some are not.

On another issue, when the survey asked only that portion of the sample that had had a baby using disposable diapers in their household in the past two years (16% of the total sample) whether they would switch to a diaper marketed as "biodegradable," 42% said they would switch if the price was the same or slightly higher, 33% would switch regardless of the price, and 22% would not switch or switch only if the price was lower.

In one surprising result, there were strong suggestions in the survey that newspaper and magazine readers might consider dropping their subscriptions to publications that don't use recycled paper.

The portion of the sample that subscribes to at least one local newspaper (74%) was asked whether they were "likely to cancel their subscription . . . if you knew the newspaper to which you subscribe does not use any recycled paper . . ." Forty-one percent said they were "very" or "somewhat" likely to cancel their subscriptions, and 56% said they were "not likely."

The survey found 73% of respondents are aware of environmental safety labels on packages.

When asked what activities household members have done in recent years to try to improve the quality of the environment, 86% said they "voluntarily" recycle newspapers, glass, aluminum, motor oil and other items; 82% said they bought products made from or packaged in recycled materials; 71% said they improved insulation or the heating or air conditioning system in their homes; 68% said they bought biodegradable plastic garbage bags and the same percentage bought products in refillable packages. □

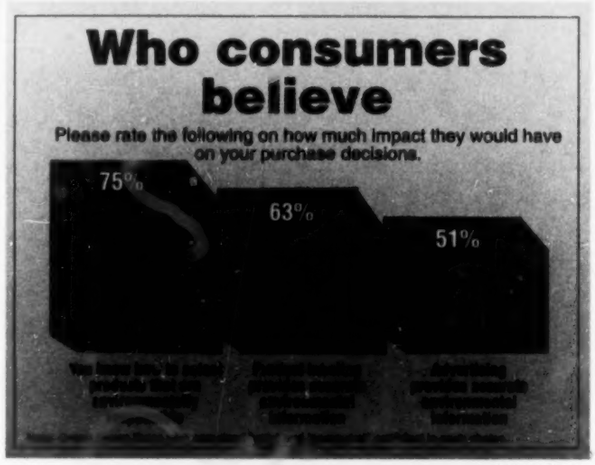
How Ad Age survey was conducted

The *Advertising Age*/Gallup Organization green marketing survey of 1,514 consumers was conducted in December 1990. Households were selected using the accepted industry standard for random digit dialing.

The maximum expected margin of error is plus or minus 2.5%.

The sample can be projected to all households with telephones in the continental U.S., and the results are weighted and match the U.S. as a whole. Characteristics of the sample are: 48% male, 52% female; ages 12-17, 10%, 18-24, 13%, 25-34, 21%, 35-44, 17%, 45-54, 12%, 55-64, 12%, 65 and older, 15%. Twenty-one percent of the sample was located in the Northeast U.S., 33% in the South Central region, 26% in the North Central, and 20% in the West.

A copy of the *Ad Age*/Gallup study, with all available data, can be purchased from Marketing Communications Department, *Advertising Age*, 220 E. 42nd St., New York 10017; telephone: (212) 210-0283; fax: (212) 210-0111. □



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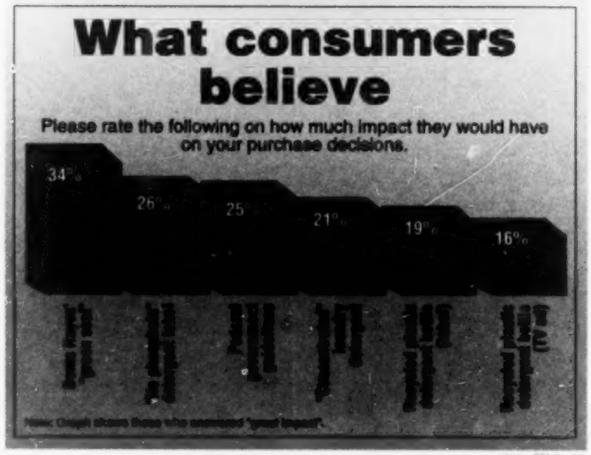

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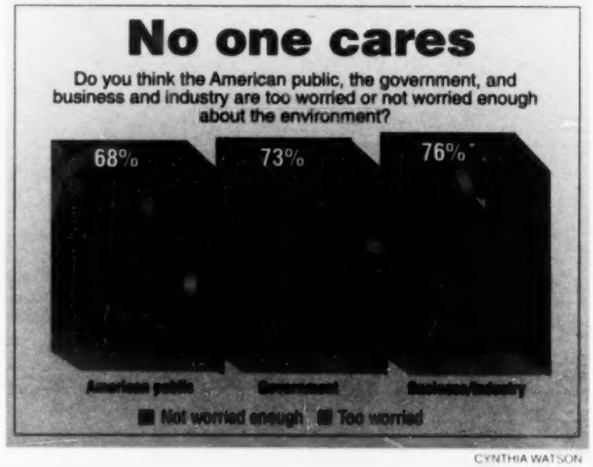
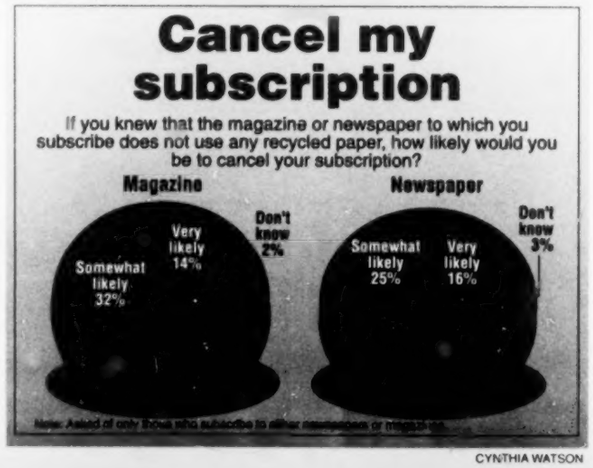


CYNTHIA WATSON


Cancel my subscription
If you knew that the magazine or newspaper to which you subscribe does not use any recycled paper, how likely would you be to cancel your subscription?
Magazine
Somewhat likely 32%
Very likely 14%
Don't know 2%
Newspaper
Somewhat likely 25%
Very likely 16%
Don't know 3%

CYNTHIA WATSON

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LAST MINUTE NEWS

Hardee's mulls decision

ROCKY MOUNT, N.C.—Hardee's Food Systems eliminated N W Ayer, New York, after it pitched the fast-food chain's $50 million-plus account Feb. 1, sources said. Hardee's will make a decision early this week and is thought likely to drop Ogilvy & Mather and choose between J. Walter Thompson USA and Chiat/Day/Mojo, all New York.

Volvo review nears end

ROCKLEIGH, N.J.—Volvo Cars of North America is expected to name an agency this week for its $40 million account. Messner Vetere Berger Carey Schmetterer, New York, is seen as the favorite because President Robert Schmetterer was managing director of the Volvo account when he was at Scali, McCabe, Sloves, New York. Scali resigned after revelations that cars were rigged for a demonstration commercial. Other finalists are Altschiller Reitzfeld/Tracy-Locke and Rosenfeld, Sirowitz, Humphrey & Strauss, both New York.

'Life' sets special issues

NEW YORK—Time Warner's *Life* will start publishing weekly, themed issues on the Persian Gulf War the week of Feb. 18. The issues will be standard magazine-size, sold on newsstands only and published for an indefinite period. Time Warner will distribute 600,000 copies each week to single-copy outlets. *Life*, which has been considering a switch to weekly frequency, will keep publishing as a monthly for now and has postponed plans to publish a prototype weekly

(Continued on Page 8)

INSIDE

"Creativity"

An *Ad Age* supplement that you have to ask for to get.

Some readers get "Creativity," which starts after Page 24. If you don't, call 1-800-992-9970 and ask for *Ad Age* circulation.

Major marketers slice 2nd-quarter TV buys

By Wayne Walley

The economic recession, exacerbated by the Persian Gulf War, has led a handful of major advertisers to cancel the maximum allowable percentage of their upfront TV ad commitments for the second quarter.

Advertisers that have exercised cancellation options include such stalwarts as Procter & Gamble Co., General Motors Corp., Unilever U.S. and McDonald's Corp., said sources familiar with those companies' plans.

New first-quarter scatter market spending is also at a standstill, and the circumstances bode ill for the next upfront sales market, media experts said.

Advertisers often cancel a portion of second-quarter spending commitments, but the amount canceled by P&G and other companies is larger than usual and could conceivably take hundreds of millions of dollars out of the TV marketplace.

Sources said P&G has exercised its maximum allowable second-quarter cancellation options on all networks, including Fox Broadcasting Co., and in syndicated TV shows, citing "business reasons."

Industry observers pointed out that the networks' second quarter is also P&G's fourth fiscal quarter, and they speculated the cancellations might be linked to the company's desire to improve its yearend bottom line.

"We've seen upsets before but never on this massive scale. It's shaking people up."

P&G executives refused to comment on the move for "competitive reasons."

Sources said all of Unilever's units, with the exception of Chesebrough-Pond's, exercised the maximum amount of cancellation options because of the uncertainties caused by the Persian Gulf War.

Although sources said Kellogg Co. had also pulled out of a significant portion of its upfront commitments, a company spokeswoman said it had made no changes in its ad plans.

Other advertisers including McDonald's, Mobil Oil Corp. and Tropicana Products exercised cancellation options last month.

Most advertisers retain the right to cancel up to half their network upfront commitments 90 days before a quarter starts, but sources said some advertisers, including P&G, agree to a smaller percentage of cancellation rights.

Advertisers on average usually keep about 80% of the time that could be canceled, but this time the average is between 65% and 70%, network sources said.

The 90-day deadline hasn't been strictly

(Continued on Page 44)

KGB may tap BBDO . . . for ads

By Joel M. Ostrow

MOSCOW—The KGB is considering an image makeover.

BBDO Worldwide, which operates a joint venture shop here with German publisher Burda and Vneshtorgizdat, a state-owned foreign trade publisher, has approached the Department for Societal Relations of the Soviet Committee for State Security—better known as the KGB—with proposals for an image campaign, said Andrey V. Olegov, deputy director of the KGB's press center.

"They presented us with a brochure titled, 'How We Can Help You,' " Mr. Olegov said. The brochure explained BBDO's services and the agency's expertise in image campaigns.

"I am, of course, personally interested," Mr. Olegov said. "How the committee will proceed is still absolutely unclear."

He said more meetings are needed before a decision will be made.

"We tend to think that the best advertisement is our own work," he said.

Bruce Macdonald, BBDO general director here, said the agency wants to help the KGB "dissociate itself from its embarrassing history" of repression and lawlessness to fulfilling roles in Soviet society that "only they can perform," such as fighting organized crime.

In initial discussions, BBDO is assessing whether the KGB is indeed changing, he said, and if so, will try to convince officials they should communicate the positive

(Continued on Page 41)

Against all odds

Shaky industry studies 'Allure' launch

By Scott Donaton

When the first issue of *Allure* reaches newsstands Feb. 26, the magazine itself may not be as important as what its launch represents.

With the magazine industry battered by recession, war and a steep downturn in advertising, the publishing world is pinning its attention and hopes on Conde Nast Publications' latest entry in the women's magazine field.

Allure is the first, boldest—and perhaps only—major launch of 1991 and also the first title Conde Nast, led by Chairman S.I. Newhouse Jr., has developed from scratch since it launched *Self* in 1979.

If the company's attempt to penetrate the overcrowded women's beauty/fashion field in such a hostile environment is successful, *Allure* could give the industry a much-needed boost.

Some magazines launched last year have already fallen by the wayside, and many of those that remain are struggling. Scores of development projects, meanwhile, have been scaled back or shelved.

"It's very bold and gutsy," said Valerie Muller, media director at Pedone & Partners, New York. "I think a win by a big company right now would be a shot in the arm. We're all tired of hearing that there's no more room for change."

Conde Nast itself needs a win. The company spent millions of dollars trying to reposition *Woman* before folding the mass-market monthly last fall. And the relaunch of *Details* as a young men's style magazine is off to a somewhat

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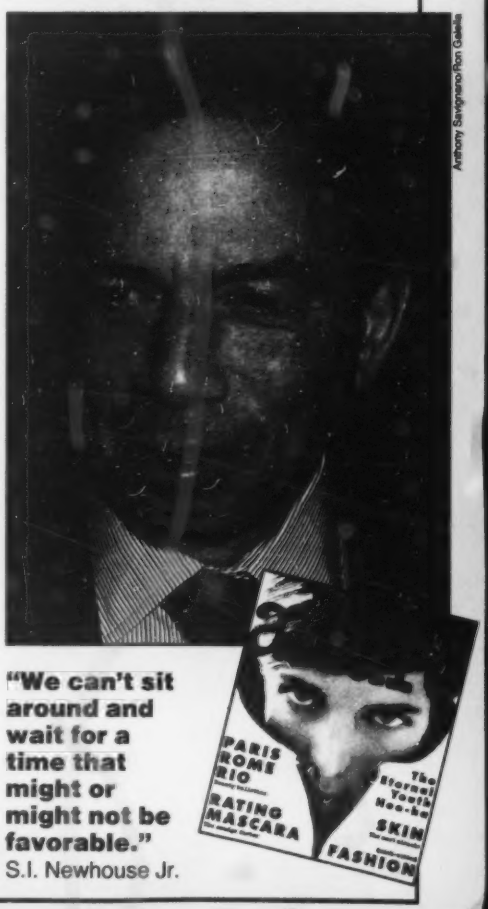

Anthony Savignano/Ron Galella

"We can't sit around and wait for a time that might or might not be favorable."
S.I. Newhouse Jr.

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"The subjects are unpredictable, the reporting thorough, the results provocative."
USA Today

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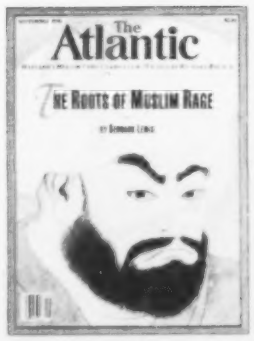

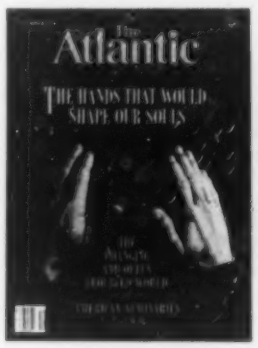

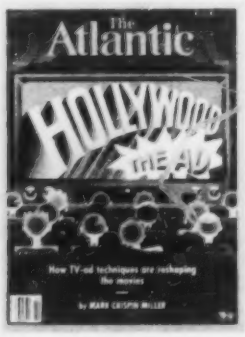

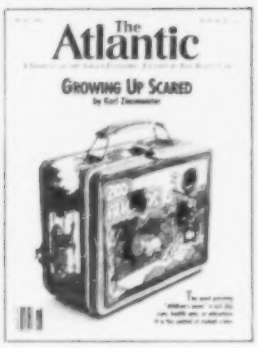

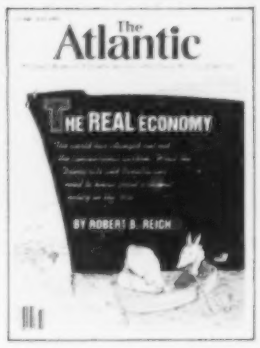

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NEWS SUMMARY

■ **Several major advertisers** cancelled the maximum allowable of their second-quarter upfront TV committments. **1**

■ **The Soviet Union's KGB** has been approached by BBDO Worldwide, offering to do an image campaign for the intelligence service. **1**

■ **General Motors and Chrysler** plan significant cutbacks in 1991 media advertising. **3**

■ **The U.S. travel industry** hopes to blunt a downturn in business, due to terrorism fears, with a coordinated public relations campaign. **3**

■ **NBC-TV** will offer advertisers promotional tie-ins to its new shows next fall. **3**

■ **Green marketing guidelines** will be proposed to the FTC by a broad-based industry group. **3**

■ **Bloom Cos.** was acquired by Groupe FCA!, Paris. **4**

■ **Domino's Pizza** has put its $50 million national advertising account up for review. **4**

■ **The Food & Drug Administration** said Procter & Gamble's Citrus Hill Fresh Choice and Citrus World's Fresh 'N Natural orange juices are mislabeled. **4**

■ **Howard Bell** will conclude a 23-year stint as president of the American Advertising Federation when he retires at the end of this year. **4**

■ **HDM,** a joint venture of Young & Rubicam and Dentsu, is evolving into a regionally structured agency group. **6**

■ **Anheuser-Busch** will start joint advertising of Busch and Busch Light Draft beers. **6**

■ **Oil of Olay** conditioning bath bar from Procter & Gamble will compete with Unilever's Dove. **9**

■ **Green marketing** will be effective only if government, industry and environmental groups work together to develop policies, speakers at the *Advertising Age* Green Marketing Summit agreed. **12**

■ **Environmentally friendly products** must still be priced competitively if they're to succeed, a panel of experts said at the Green Marketing Summit. **12**

■ **European ad executives** are adjusting their business routines because of the Persian Gulf War, including changing or curtailing travel plans. **16**

■ **Time Warner** plans to offer a computer compact disc with text, photos, audio and possibly video related to Operation Desert Storm. **16**

■ **Radisson Hotels** has begun a consumer ad campaign with a doubled budget. **41**

■ **Cable News Network** says its highly praised war coverage hasn't brought economic benefits to the network. **42**

■ **"False, self-serving rumors"** of magazines folding, fed by earlier closings, have led some publishers to issue denials. **45**

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Y&R, Dentsu ready regional strategy

By Jon Lafayette

Young & Rubicam and Dentsu are abandoning their dream of a multicultural global agency network.

Their joint venture, HDM, is being transformed into a regionally structured agency group now that HDM's third partner, Eurocom, has bowed out. Three largely independent agencies with separate identities have emerged.

In the U.S., where HDM is being merged with Lord Einstein O'Neill & Partners, the agency will be called Lord, Dentsu & Partners, with offices in New York and Los Angeles billing about $220 million.

In Asia, 11 former HDM agencies with billings of $420 million will be renamed Dentsu, Young & Rubicam.

In Australia and New Zealand, five agencies with billings of $238 million will be known as Mattingly, after Chairman David Mattingly, whose agency was acquired by HDM in 1989.

The agency groups will report to Dentsu, Young & Rubicam Partnerships, a central board responsible for overall management and coordination.

Board members include Chairman Shinzo Ueno, President-CEO Gary Burandt, Senior Exec VP-Chief Financial Officer Alain Rousset and Senior Exec VP Megumi Niimura.

HDM's direct marketing operations, to be reorganized and renamed this week, will also report to the board.

Mr. Burandt said the regional structure was adopted because "the fact is that there are no global accounts at HDM and there are few of those in the world. We've given [the agencies] names that will give them the most help in those regions."

HDM, formed in 1987, was never able to form a strong identity. Its name was forgettable among the other alphabet-soup agency titles, and it was often overshadowed by its giant parents.

The agency's death knell sounded because Eurocom thought the returns it was getting from HDM's operations in Asia and especially in the U.S. were less than the profits it was generating and sharing with its HDM partners in Europe.

"The state of the [Dentsu-Y&R] union is good."

Alex Kroll

Eurocom pressured Y&R and Dentsu to make an acquisition to expand in New York but ended up buying HDM's European operations for $55 million.

Those operations are now part of Eurocom Advertising.

There are no immediate plans to increase the size of Lord, Dentsu & Partners through acquisitions, Mr. Burandt said.

"We have nothing planned at this time," he said. "Let's let the dust settle and see what we've got."

The restructuring was agreed to at a meeting last week that included Y&R Chairman-CEO Alex Kroll and Dentsu President-CEO Gohei Kogure.

Despite the strains Eurocom's complaints may have caused between the U.S. and Japanese ad giants, "the state of the union is good," Mr. Kroll said. "Dentsu is very supportive of the Dentsu-Young & Rubicam partnerships around the world."

Mr. Kroll noted the reorganization brings the Y&R name back to the Far East, where the joint venture is Y&R's only advertising operation.

The formation of Lord Dentsu effectively ends the saga of the six executives who walked out of WPP Group's Lord, Geller, Federico, Einstein in 1988 and were sued by WPP Chief Executive Martin Sorrell.

Of the six who formed Lord Einstein, only Lord Dentsu CEO Dick Lord remains with the surviving agency. Lord Einstein President Arthur Einstein is looking for a position, possibly with Y&R; Creative Director Kevin O'Neill last month joined Lintas:New York as group creative director; Chief Operating Officer C. Ray Freeman last year took a similar post at DCA, New York, a wholly owned Dentsu shop; Exec VP Edward Yaconetti left the industry; and Chief Financial Officer Louis Eichenholz is looking for a position with another agency.

Mr. Lord said about 40 of the 50 Lord Einstein staffers will move to Lord Dentsu. He said he hoped some of the others could be placed with other Y&R operations.

HDM Creative Directors Mark Hughes and Ron Arnold were named creative directors at Lord Dentsu's New York office; Los Angeles HDM Chairman Lee Koval will continue as creative director there. □

No. 1 Hasbro buys Tonka

By Kate Fitzgerald

Hasbro's acquisition of Tonka Corp. gives the No. 1-ranked toy company a sizable lead over No. 2 Mattel.

By absorbing financially troubled, No. 3-ranked Tonka, Hasbro adds such brands as Monopoly, Clue, Nerf and Play-Doh to an arsenal that already included such long-running hits as G.I. Joe, Milton Bradley board games and its PlaySkool division.

Sources in the $13 billion toy industry say Hasbro's annual sales are more than $1 billion; Tonka's sales are about $800 million, and together they significantly outdistance Mattel, whose sales are about $1 billion.

The deal was valued at $470 million.

The announcement came last week, just before the Feb. 11 opening of the American International Toy Fair. It adds to an uncertain market already hit by recession and the bankruptcy of major retailer Child World.

Troubled Tonka had expected a "substantial" fourth-quarter loss after a disastrous 1990 toy-selling season, and has been laboring under heavy debt from its own acquisition of Kenner Parker Toys in 1987.

"This is like a major trade in baseball where both teams come out ahead afterward," said David Leibowitz, a toy industry analyst with America[illegible] Securities. "Hasbro is broadening its already diverse lines by gaining a raft of excellent brand names, and Tonka is finally escaping from its financial problems.

The joint announcement came as a surprise to some industry observers, who had expected Mattel to emerge as Tonka's unnamed suitor after Tonka announced early last week it was having discussions about a possible sale.

"It was a shock to some people who were on the inside, although we all knew discussions were going back and forth," said Paul Kurnit, president of Griffin Bacal, New York, Hasbro's lead agency, which handles approximately $100 million in broadcast advertising.

"Everyone can see that this is a great move and a fantastic fit for Hasbro, particularly for its own continued leadership in the board games segment," Mr. Kurnit said.

The deal is contingent upon Hasbro's successful completion of a cash tender offer for Tonka's outstanding common stock and publicly held debt securities.

Both Hasbro and Tonka refused to comment on the deal or its effect on the toy marketers' agencies, but changes are almost inevitable, sources indicated last week.

Hasbro shuffled its agency assignments last year, consolidating its board game account at Griffin Bacal, along with all PlaySkool broadcast and most of Hasbro's boys' toys advertising.

Former Tonka agency Jordan, McGrath, Case & Taylor, which resigned that account in 1989 when it won several assignments from Hasbro, now handles most of Hasbro's girls' toys including its My Little Pony and Cabbage Patch lines, along with two new boys' toys to be unveiled at the Toy Fair. The account is estimated at $20 million to $25 million.

Last year, Tonka consolidated its $75 million domestic and $25 million international accounts at Grey Advertising. Earlier, separate agencies had handled Tonka's Kenner Products and Parker Bros. divisions. Kenner agency Grey added the Tonka brand account in 1989. Then last year, Tonka moved the $22 million Parker Bros. account to Grey from Della Femina, McNamee, Boston. □

Top 10 beer brands for 1990

Figures are in millions of barrels shipped.

Brand	1989	1990	% chg	Share
Budweiser	50.00	50.00	—	25.1%
Miller Lite	19.70	19.90	1.0	10.0%
Bud Light	10.80	11.80	9.3	5.9%
Coors Light	10.50	11.80	12.4	5.9%
Busch	9.10	9.35	2.7	4.7%
Milwaukee's Best	6.70	7.00	4.5	3.5%
Miller High Life	7.50	6.45	(14.0)	3.2%
Old Milwaukee	6.95	6.40	(7.9)	3.2%
Miller Genuine Draft	4.70	5.90	25.5	3.0%
Coors	5.15	4.30	(16.5)	2.2%
Top 10 brands total	**131.1**	**132.9**	**1.4**	—

Source: *Beer Marketer's Insights*

Busch brands pair up in ads

By Ira Teinowitz

Anheuser-Busch, switching to a more contemporary approach, will use a "mountain man" theme for its first advertising jointly pitching Busch and Busch Light Draft beers.

The first two 30-second spots—breaking today and slated for network, cable and local airing—offer a series of urbane mountain men.

One commercial addresses the common misconception that the mountain man's best friend is his horse, and instead shows a young woman in that role.

The new campaign from DDB Needham Worldwide, Chicago, replaces Busch Light Draft's separate $8 million "Make the easy choice" campaign and the "Looking for a Busch" theme that's been part of the main brand's overall $9 million effort.

The 13-year-old "Head for the mountains" theme survives in spots that will run as an occasional secondary campaign. The line "Looking for a Busch" will also be used in some future "mountain man" spots.

Anheuser-Busch dispels common misconceptions about the "mountain man" in new spots uniting both Busch brands.

"What you see is an evolution," said Bill Braun, senior brand manager for the Busch brands. "It is a more contemporary, up-to-date portrayal of the Busch drinker."

Mr. Braun said the decision to combine Busch and Busch Light Draft advertising reflected a desire for efficiencies but not specifically cost efficiencies. The brands will spend more together this year than was spent separately last year, he said. Instead, having two campaigns, vs. three, will raise awareness levels, he said.

A-B spent $27.8 million in 1989 on Busch, according to LNA/Arbitron Multi-Media Service. The brewer has contended that its switch from network to individual market advertising has resulted in understating its spending last year.

Busch, the nation's No. 5 brew, shipped 9.35 million barrels last year, up 2.7% from 1989, according to new figures released last week by *Beer Marketer's Insights*. Busch Light shipped about 2.1 million barrels, up from its 1989 test volume of 100,000. A-B tested Busch Light Draft in early 1989 and rolled it out to all areas where it sells Busch in January 1990. Busch beers are now sold in 46 states.

The latest shipment figures came as beer shipments grew a healthy 3.1% last year to 198.9 million barrels. (The figure includes non-alcohol beers and exports of 4 million barrels.)

The big winners last year were Miller Brewing Co.'s Miller Genuine Draft, which saw a 25.5% increase in volume to 5.9 million barrels and Adolph Coors Co.'s Coors Light, which saw a 12.4% growth to 11.8 million barrels. Bud Lite rose 9.3% to 11.8 million barrels and Milwaukee's Best (Miller) rose 4.5% to 7.0 million barrels.

Among the biggest losers was the Coors brand, down 16.5% to 4.3 million barrels. The brand has lost more than 50% of its barrelage in just three years. In 1987, Coors shipped 3.1 million barrels.

Also off was Miller High Life, whose pace of decline increased to 14% to 6.45 million barrels. A year ago, when High Life was down 7%, Miller officials had hoped the new "Give that man a Miller" campaign from Leo Burnett USA, Chicago, would slow High Life's decline. □